

FIFTY-FIFTH DAY.

(Friday, April 9, 1937)

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by President Woodul.

The roll was called and the following Senators were present:

Aikin.	Oneal.
Burns.	Pace.
Collie.	Rawlings.
Cotten.	Redditt.
Davis.	Roberts.
Head.	Shivers.
Hill.	Small.
Holbrook.	Stone.
Isbell.	Sulak.
Lemens.	Van Zandt.
Moore.	Weinert.
Neal.	Westerfeld.
Nelson.	Woodruff.
Newton.	

The following Senators were absent and excused:

Beck.	Spears.
Brownlee.	Winfield.

A quorum was announced present.

The invocation was offered by the Chaplain.

Reading of the Journal of the proceedings of yesterday was dispensed with, on motion of Senator Roberts.

Leaves of Absence Granted.

Senator Brownlee was granted leave of absence for today, on account of important business, on motion of Senator Davis.

Senator Winfield was granted leave of absence for today, on account of important business, on motion of Senator Van Zandt.

Senator Spears was granted leave of absence for today, on account of important business, on motion of Senator Oneal.

Senator Beck was granted leave of absence for today, on account of important business, on motion of Senator Aikin.

Reports of Standing Committees.

Reports on Senate Bills Nos. 461, 73, and 31, and on House Bills Nos. 770, 666, 625, 449, and 216 were submitted by the chairmen of the

several committees to which they were referred. (See appendix for reports in full.)

Report of Conference Committee on Senate Bill No. 301.

Senator Woodruff submitted the following report of the Conference Committee on S. B. No. 301:

Austin, Texas, March 30, 1937.

Hon. Walter F. Woodul, President of the Senate, and

Hon. R. W. Calvert, Speaker of the House of Representatives.

Gentlemen: We, your Conference Committee appointed to adjust the differences between the House and Senate on S. B. No. 301 beg to report that we have considered the same and recommend that it do pass in the form hereto attached.

WOODRUFF,
LEMENS,
AIKIN,
HEAD,

On the part of the Senate.

MOFFETT,
McCRACKEN,
DERDEN,
MORRIS,
BOND,

On the part of the House.

By Woodruff.

S. B. No. 301.

**A BILL
To Be Entitled**

An Act to amend Article 6686, Revised Civil Statutes of 1925, as amended by Chapter 211, Acts of the Regular Session of the Fortieth Legislature, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That Article 6686 of the Revised Civil Statutes of 1925, as amended by Chapter 211, Acts of the Fortieth Legislature be amended to hereafter read as follows:

Article 6686: (a) Any manufacturer of or dealer in motor vehicles in this State may, instead of registering each vehicle he may wish to show or demonstrate on the public highways, apply for registration and secure a general distinguishing number which may be attached to any motor vehicle or motorcycle which he sends temporarily upon the road.

The annual fee for such dealer's registration of a general distinguishing number shall be \$15.00, and additional number plates bearing said number desired by any dealer shall be assigned and registered for a fee of \$5.00 each. A dealer within the meaning of this Article means any person, firm or corporation engaged in the business of selling automobiles who runs them upon the public highways or streets for demonstration for the purpose of sale; and this Act shall not be construed as permitting the use of a dealer's license or number plate on any vehicle owned or used by such a dealer for any other purpose than demonstration for the purpose of sale. Every dealer in making application for a dealer's license shall apply for same in writing on a form prescribed and provided by the State Highway Commission. The application shall state that the applicant is a dealer within the meaning of this Act, and if he holds a contract with an automobile manufacturer or distributor for the distribution or sale of motor vehicles or motorcycles he shall so state in the application, giving make of vehicle he handles and name of such manufacturer or distributor. The facts stated in such application shall be sworn to before an officer authorized to administer oaths. No dealer's license or number plates shall be issued until this article is complied with.

(b) Each dealer holding a dealer's license may issue temporary cardboard numbers using such dealer's number thereon which may be used by any person, dealer, or manufacturer purchasing a motor vehicle, trailer, or semi-trailer. Such person purchasing a motor vehicle, trailer, or semi-trailer from a manufacturer or dealer may use such cardboard number for a reasonable length of time but in no case to exceed ten (10) days after such purchase is made. Any dealer or manufacturer may use such cardboard license plate for the purpose of operating or conveying a motor vehicle, trailer, or semi-trailer from his place of business in one part of the State to his place of business in another part of the State, and for the purpose of operating or conveying a motor vehicle, trailer, or semi-trailer

from the point where it is unloaded to his place of business, and may also use such cardboard number in transporting a motor vehicle, trailer, or semi-trailer from the State line to his place of business. The form of such cardboard number shall be prescribed by the Department of Public Safety.

(c) Every motor vehicle that has been driven under its own power, or towed by another vehicle from the point where manufactured outside this State for the purpose of sale within this State, shall have affixed to the windshield or front thereof in plain view a sticker not less than three inches in diameter stating that such vehicle has been driven or towed from point where manufactured. Such notice shall remain on such vehicle until the sale thereof by the dealer.

(d) Manufacturer to give notice of sale or transfer. Every manufacturer or dealer, upon transferring a motor vehicle, trailer, or semi-trailer, whether by sale, lease or otherwise, to any person other than a manufacturer or dealer, shall immediately give written notice of such transfer to the Registration Division of the State Highway Department upon the official form provided by the State Highway Department. Every such notice shall contain the date of such transfer, names and addresses of the transferrer and transferee and such description of the vehicle as may be called for in such official form.

(e) All registration fees shall be paid in the county in which the owner lives at the time of registration of said motor vehicle.

(f) Any person found guilty of violating any of the provisions of this Act shall, upon conviction, be fined not less than Fifty (\$50.00) Dollars and nor more than One Hundred Fifty (\$150.00) Dollars, and all cost of court.

Sec. 2. In view of the fact that Article 6686 is indefinite and does not specify the length of time or the exact conditions under which cardboard licenses can be used on motor vehicles necessitates revision of Article 6686 and creates an emergency and an imperative public necessity requiring the suspension of the Constitutional Rule which requires all

bills to be read on three several days in each House and said rule is hereby suspended and this Act shall take effect and be in force from and after its passage, and it is so enacted.

Senator Woodruff moved that the report be adopted.

The motion prevailed by the following vote:

Yeas—27.

Aikin.	Oneal.
Burns.	Pace.
Collie.	Rawlings.
Cotten.	Redditt.
Davis.	Roberts.
Head.	Shivers.
Hill.	Small.
Holbrook.	Stone.
Isbell.	Sulak.
Lemens.	Van Zandt.
Moore.	Weinert.
Neal.	Westerfeld.
Nelson.	Woodruff.
Newton.	

Absent—Excused.

Beck.	Spears.
Brownlee.	Winfield.

Advance Printing of Senate Joint Resolution No. 16.

On motion of Senator Moore and by unanimous consent, it was ordered that S. J. R. No. 16 be printed in advance of its consideration in committee.

Messages From the Governor.

The President laid before the Senate, and had read, the following messages from the Governor:

Austin, Texas, April 9, 1937.
To the Members of the Forty-fifth Legislature:

I earnestly recommend immediate passage of H. B. No. 511, now pending in the Senate, which is an Act to extend the interstate oil compact. Most of the other signatory states have already ratified an extension of this compact for an additional two years. It is highly imperative that we should do so at once.

There is no controversy about the bill—there was none two years ago; there was no controversy in the House, and I am sure there will be none in the Senate.

Because of the extreme importance of this matter I earnestly urge that all rules be suspended and it be passed at once.

Respectfully,

JAMES V. ALLRED,
Governor of Texas.

Austin, Texas, April 8, 1937.

To the Members of the Forty-fifth Legislature:

I am vetoing and disapproving House Bills Nos. 367 and 370 for the following reasons:

These bills, by Oliver of Shelby County, propose to grant to Mrs. Mary Esther Ramsey and R. L. Gillespie, respectively, permission to bring suit against the State of Texas and the Highway Department in the District Court of Angelina County or Shelby County for damages and give the Highway Department the authority to effect a settlement.

The bills go farther than the usual resolutions in that they absolutely recognize and finally fix the liability against the State. I do not believe the Legislature would have the power to do this, and certainly a reading of the bills to the jury would be very effective. Furthermore, I doubt the authority of the Legislature to authorize the Highway Department to make a settlement of these claims for the reason that the courts have never yet held that the State is liable for the torts of its agents.

I have discussed this matter with the author, Representative Oliver of Shelby County, and he has drawn substitute resolutions to authorize suits to be brought in order that the courts may determine the liability of the State, if any.

The bills are returned to the House of Representatives where they originated.

Respectfully,

JAMES V. ALLRED,
Governor of Texas.

Bills and Resolution Signed.

The President signed in the presence of the Senate, after giving due notice thereof, the following enrolled bills and resolution:

H. B. No. 122, "An Act to amend Article 1315 of the Revised Civil

Statutes of Texas of 1925 so as to authorize any private corporation organized under Title 32 of said Revised Civil Statutes to extend its charter; prescribing the manner for so extending any such charter and prescribing fees to be paid for any such extension of charter, and declaring an emergency."

H. B. No. 321, "An Act amending Chapter 141, Acts Fortieth Legislature, Regular Session, as amended by Chapter 246, Acts Forty-second Legislature, Regular Session, creating the Office of the Veterans' State Service Office attached to the Adjutant General's Department; providing for the appointment of a Veterans' State Service Officer and certain Assistant Veterans' State Service Officers, and other necessary personnel; defining the qualifications, authority and duties of such officers; fixing and authorizing payment of their salaries, travel and other expenses; providing that the main office shall be located in Austin, Travis County, Texas; and repealing all laws and parts of laws in conflict therewith, and declaring an emergency."

H. B. No. 473, "An Act amending Article 1583 of the Penal Code of Texas, 1925, relating to work and vacation of firemen and policemen in cities of more than twenty-five thousand inhabitants and in cities of more than thirty thousand inhabitants, by adding a new Section to be known as Article 1583-B, providing for vacations for jailers, jail guards and jail matrons and providing penalties for the violation of the provisions of this Article, and declaring an emergency."

H. B. No. 969, "An Act authorizing any subsidiary corporate body politic of the State to pay to the school district the sum or sums equivalent to the amount of bonded indebtedness at the time of the creation of said corporate body, and all other damages that may be sustained by such school district; provided further, that such corporate body may render for taxes, and pay said taxes to the school district for any properties not actually used by the corporate body for the purpose that such body was formed, and declaring an emergency."

H. J. R. No. 20, Proposing an

amendment to Article XVI, Section 1, of the Constitution of the State of Texas; changing the form of the oath of office for members of the Legislature and all offices of the State of Texas; providing for an election upon such constitutional amendment, and making an appropriation therefor.

**Senate Concurrent Resolution No. 54
With House Amendment.**

Senator Holbrook called up S. C. R. No. 54 from the President's table, for consideration of the House amendment to the resolution.

The President laid the resolution before the Senate, and the House amendment was read.

On motion of Senator Holbrook, the Senate concurred in the House amendment.

**Report of Conference Committee on
House Bill No. 150.**

Senator Stone submitted the following report of the Free Conference Committee on H. B. No. 150:

Austin, Texas, April 9, 1937.

Hon. Walter F. Woodul, President of the Senate, and

Hon. R. W. Calvert, Speaker of the House of Representatives.

Sirs: We, your Conference Committee, appointed to adjust the differences between the House and Senate on H. B. No. 150, beg leave to report that we have considered the same and recommend that it do pass in the form as attached hereto.

Respectfully submitted,

STONE,
SHIVERS,
REDDITT,
ROBERTS,

On the part of the Senate.

QUINN,
NICHOLSON,
McDONALD,
METCALFE,
HANKAMER,

On the part of the House.

By Quinn, McFarland H. B. No. 150.
Nicholson, McDon-
ald and McKee.

A BILL

To Be Entitled

An Act authorizing the Board of Directors of the Agricultural and Me-

chanical College of Texas to lease at public auction of oil, gas, sulphur, and/or other mineral development all lands used as experimental stations and all other lands under its exclusive control; providing for the "Agricultural and Mechanical College of Texas Special Mineral Fund" and the manner it is to be administered; providing for a permanent fund and the expenditure of the income from same; prescribing the mode and manner of said oil, gas, sulphur and other mineral leases on said land; appropriating certain moneys received between the effective date of the Act and August 31, 1937, to the use of the Agricultural and Mechanical College of Texas, its branches and divisions, with special provision for that part of the money collected from leases of land embraced in Experimental Station No. 4, to be expended on said station, and the amount necessary for the use of the Piney Woods Livestock Experimental Station in Senatorial District No. 4; authorizing necessary subdivision, procuring of abstracts, and advertisement with respect to sale of said leases; providing penalty for delay in drilling; fixing certain regulations with regard to leasing; providing drilling operations shall not interfere with the operations of the Agricultural and Mechanical College as an experimental station and/or farm; providing for the filing of leases and records in the State Land Office; providing for extension of leases; providing for assignment of leases and relinquishment to the State; providing the time and manner of payment of royalties; providing for reports to the Board of Directors; providing for forfeiture of lease; authorizing a majority of the Board to act; making an appropriation to defray the expenses of said Board; providing if any part of the Act shall be declared unconstitutional it shall not affect the validity of the remainder, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That the Board of Directors of the Agricultural and Me-

chanical College of Texas is hereby authorized and empowered to lease for oil and/or gas and/or sulphur and/or other mineral development to the highest bidder at public auction all lands used for experimental stations and all other lands under its exclusive control or any part thereof now owned by the State of Texas and acquired for the use of the Agricultural and Mechanical College of Texas and its divisions or that may hereafter be acquired for the use of the Agricultural and Mechanical College of Texas and its divisions. Any amounts received under and by virtue of this Act shall be deposited in the State Treasury to the credit of a special fund to be known as the "Agricultural and Mechanical College of Texas Special Mineral Fund," and any funds placed therein shall be appropriated by the Legislature of the State of Texas in its regular biennial appropriation bill exclusively for the Agricultural and Mechanical College of Texas and its branches or divisions; provided, the amounts received as bonuses and rentals between the effective date of this Act and August 31, 1937, are hereby appropriated to the Agricultural and Mechanical College of Texas to be expended as may be deemed proper by the Board of Directors of said College; provided, however, that the amounts received prior to August 31, 1937 as bonus money and rental money from leases of the land embraced in Experimental Station No. 4, located in Senatorial District No. 4, may be expended by the Board for the necessary improvements and maintenance of Experimental Station No. 4, and the Board is authorized to expend whatever amount they may deem necessary for improvements, livestock and maintenance of the Piney Woods Livestock Experimental Station in Senatorial District No. 4; provided, however, that any royalties received shall be placed in the special fund provided. All moneys realized from royalties accruing under the terms of this Act shall be used exclusively for the purpose of creating a permanent improvement fund, the income from which shall be expended under the direction of the Board of Directors of the Agricultural and Mechanical College of Texas in erect-

ing permanent improvements for the College and its branches and divisions.

Sec. 2. The Board is hereby authorized to cause said lands to be surveyed or subdivided into such tracts, lots or blocks as will, in their judgment, be most conducive and convenient to facilitate the advantageous sale or lease for oil, gas, sulphur, and/or other minerals thereof and to make such maps and plats as may be thought necessary to carry out the purposes of this Act. The Board is further authorized to obtain authentic abstracts of title to all of said lands as they may deem necessary from time to time and to take such steps as may be necessary to perfect a merchantable title to said lands in the State of Texas.

Sec. 3. Whenever, in the opinion of the Board, there shall be such a demand for the purchase of oil, gas, sulphur or other mineral leases on any tract or part of any tract of land as will reasonably insure an advantageous sale, the Board shall place such oil, gas, sulphur or other mineral leases on said land on the market in such tract or tracts, or any part thereof, as the Board may designate. It shall cause to be advertised a brief description of the land from which the oil, gas, sulphur or other minerals is proposed to be leased. Such advertisement shall be made by inserting in two or more papers of general circulation in this State and in addition the Board may, in its discretion, cause said advertisement to be placed in an Oil & Gas journal published in and out of the State, and also mail copies of such proposals to the county judge of the county where said lands are located, and mail copies of such proposals to such other persons as the Board might think would be interested therein.

The Board may sell the lease or leases to the highest bidder at public auction at the Agricultural and Mechanical College of Texas, College Station, Texas, at any hour between 10:00 A. M. and 5:00 P. M. The Board shall have the right to reject all bids. However, the highest bidder shall pay to the Board on the day of the sale twenty-five per cent (25%) of the bonus bid and the balance of the bid shall be paid to the

Board within twenty-four (24) hours after being notified that the bid has been accepted. Payments shall be paid in cash, certified check or cashier's check, as the Board may direct; provided, the failure to pay the balance of the amount bid will forfeit to the Board the twenty-five per cent (25%) paid.

Sec. 4. A separate bid shall be made for each tract or subdivision thereof. No bids shall be accepted which offer a royalty of less than one-eighth (1/8th) of the gross production of oil, gas, sulphur and other minerals in the land bid upon and this minimum royalty may be increased at the discretion of the Board. Every bid shall carry the obligation to pay an amount not less than One Dollar (\$1.00) per acre for delay in drilling or development; such amount to be fixed by the Board in advance of the advertisement and shall be paid every year for five (5) years unless in the meantime production in paying quantities is had upon the land or said land is released by the lessee.

Sec. 5. If in the opinion of the Board any one of the bidders shall have offered a reasonable and proper price for any tract and not less than the price fixed by the Board, the lands advertised may be leased for oil, gas, sulphur and/or other mineral purposes under the terms of this Act, and such regulations as the Board may prescribe, not inconsistent with the provisions of this Act. In the event no bid is accepted by the Board at public auction any subsequent procedure for the sale of oil and/or gas and/or sulphur and/or other mineral leases shall be in the manner above provided. Provided that no lease for oil, gas, sulphur, and/or other minerals shall be made by said Board which will permit the drilling or mining for oil and/or gas and/or sulphur and/or other minerals within less than three hundred (300) feet of any building on said land, without the consent of the Board, and further providing that in making any lease on any experimental stations and/or farm the lease shall provide that the operations for oil, gas and other minerals shall not in any way interfere with the land as an experimental station and shall not cause the abandonment

of said property or its use for experimental farm purposes, and the lessee operating said property shall drill and carry on his operations in such a way as not to cause the abandonment of said property for experimental farm purposes and any such leased property shall be subject to the use by the State of Texas for all experimental purposes and said Board shall continue to operate said experimental station.

Sec. 6. If the Board shall determine that a satisfactory bid has been received for said oil, gas, sulphur and/or other mineral lands it shall accept the same and reject all other bids and file said accepted bid in the General Land Office. Whenever the royalties shall amount to as much as the yearly payments as fixed by the Board, the yearly payments may be discontinued. If before the expiration of five years oil and/or gas and/or sulphur and/or other minerals shall not have been produced in paying quantities, the lease shall terminate, unless extended as hereinafter provided.

Sec. 7. (a) If the Board shall determine that a satisfactory bid has been received for said oil, gas, sulphur and/or other minerals, it will make an award to the bidder offering the highest price therefor, and a lease shall be filed in the General Land Office.

(b). The exploratory term of the lease as determined by the Board prior to the promulgation of the advertisement shall in no case exceed five (5) years, and each lease shall provide that the lease will terminate at the expiration of its exploratory term unless by unanimous vote of members of the Board such lease may be extended for a period of three (3) years, which lease may be extended where the Board finds that there is likelihood of oil, gas, sulphur and/or other minerals being discovered thereon by lessees, and that such lessees have proceeded with diligence to protect the interest of the State; provided, however, that if oil, gas, sulphur and/or other minerals are being produced in paying quantities from the premises, said lease shall continue in force and effect as long as such oil, gas, sulphur and/or other minerals are being so produced. Provided, that

no extension hereunder may be made by the Board until the last thirty (30) days of the original term of the lease. The lease shall include such additional provisions and regulations as the Board may prescribe to preserve the interest of the State, but not inconsistent with the provisions of this Act.

(c) Whenever in the discretion of said Board, it is deemed for the best interest of the State to extend a lease issued by said Board, the Board is hereby granted and given full authority by unanimous vote to extend said lease for a period not to exceed three (3) years, upon the condition that the lessee shall continue to pay yearly rental as provided in the lease and such additional terms as the Board may see fit and proper to demand. The Board is hereby given full authority to extend such lease and execute an extension agreement therefor.

(d) Whenever in the discretion of the Board, it is for the best interest of the State to prorate, or reduce production of any land, said Board shall have and is hereby given authority to execute the necessary contract to carry out such purpose.

Sec. 8. If, during the term of any lease issued under the provisions of this Act, the lessee shall be engaged in actual drilling operations for the discovery of oil, gas, sulphur and/or other minerals on land covered by any such lease, no rentals shall be payable as to the tract on which such operations are being conducted so long as such operations are proceeding in good faith; and in the event oil, gas, sulphur and/or other minerals are discovered in paying quantities on any tract of land covered by any such lease, then the lease as to such tract shall remain in force so long as oil, gas, sulphur and/or other minerals are produced in paying quantities from such tract. In the event of the discovery of oil, gas, sulphur and/or other minerals on any tract covered by a lease issued hereunder or on any land adjoining same, the lessee shall conduct such operations as may be necessary to prevent drainage from the tract covered by such lease to properly develop the same, to the extent that a reasonably prudent operator would

do under the same and similar circumstances.

Sec. 9. Title to all rights purchased may be held by the owners so long as the area produces oil, gas, sulphur and/or other minerals in paying quantities. All rights purchased may be assigned. All assignments shall be filed in the General Land Office within one hundred days from the date of the first acknowledgment thereof, accompanied by ten cents per acre for each acre assigned and if not so filed and payment made, the assignment shall not be effective. All rights to any whole tract or to any assigned portion thereof may be relinquished to the State at any time by having an instrument of relinquishment recorded in the county or counties in which the area may be situated, and filed with the Chairman of the Board accompanied with One Dollar for each area assigned, but such assignment shall not relieve the owner of any past due obligations theretofore accrued thereon. The Board shall authorize the laying of pipe line, telephone line, and the opening of such roads as may be deemed reasonably necessary for and incident to the purpose of this Act.

Sec. 10. If oil or other minerals are developed on any of the lands leased by the Board, the royalty as stipulated in the sale shall be paid to the General Land Office at Austin, Texas, on or before the 20th day of each succeeding month for the preceding month during the life of the rights purchased, and be set aside in the State Treasury as specified in Section 1 hereof, and said funds may be used as therein provided. Said royalty paid to the General Land Office as above stipulated shall be accompanied by the sworn statement of the owner, manager, or other authorized agent showing the gross amount of oil, gas, sulphur and/or other minerals produced and saved since the last report and the amount of oil, gas, sulphur and/or other minerals produced and sold off the premises and the market value of the oil, gas, sulphur and/or other minerals together with a copy of all daily gauges, or vats, tanks, gas meter readings, pipe line receipts, gas line receipts, and other checks and memoranda of the amounts

produced and put into pipe lines, tanks, vats, or pool and gas lines or gas storage. The books and accounts, receipts and discharges of all wells, tanks, vats, pools, meters, pipe lines, and all contracts and other records pertaining to the production, transportation, sale and marketing of the oil, gas, sulphur and/or other minerals shall at all times be subject to inspection and examination of any member of the Board of Directors of the Agricultural and Mechanical College of Texas or any duly authorized representative of said Board. The Commissioner of the General Land Office shall tender to the Board of Directors of the Agricultural and Mechanical College of Texas at the close of each month a report of all receipts from the lease or sale of oil, gas, sulphur and/or other minerals turned into the special fund in the State Treasury.

Sec. 11. In every case where the area in which oil, gas, sulphur and/or other minerals sold shall be contiguous or adjacent to lands which are not lands belonging to and held by the Agricultural and Mechanical College of Texas, the acceptance of the bid and the sale made thereby shall constitute an obligation on the owner thereof to adequately protect the land leased from drainage from said adjacent lands to the extent that a reasonably prudent operator would do under the same and similar circumstances. In cases where the area in which the oil, gas, sulphur and/or other minerals are sold is contiguous to other lands belonging to and held by the Agricultural and Mechanical College of Texas which have been leased or sold at a lesser royalty, the owner shall likewise protect said land from drainage from the lands so leased or sold for a lesser royalty. Upon failure to protect the land from drainage as herein provided the sale and all rights thereunder may be forfeited by the Board in the manner elsewhere provided for forfeitures.

Sec. 12. If the owner of the rights acquired under this Act shall fail or refuse to make the payments of any sum due thereon, either as rental or royalty on the production, within thirty (30) days after the same shall become due, or if such owner or his authorized agent should

make any false return or false report concerning production, royalty or drilling or mining or if such owner shall fail or refuse to drill any offset well or wells in good faith, as required by his lease, or if such owner or his agent should refuse the proper authority access to the records and other data pertaining to the operations under this Act, or if such owner, or his authorized agent, should fail or refuse to give correct information to the proper authorities, or fail or refuse to furnish the log of any well within thirty days after production is found in paying quantities, or if any of the material terms of the lease should be violated, such lease shall be subject to forfeiture by the Board by an order entered upon the minutes of the Board reciting the facts constituting the default, and declaring the forfeiture. The Board may, if it so desires, have suit instituted for forfeiture through the Attorney General of the State. Upon proper showing by the forfeiting owner, within thirty days after the declaration of forfeiture, the lease may, at the discretion of the Board and upon such terms as it may prescribe, be reinstated. In case of violation by the owner of the lease contract, the remedy of the State by forfeiture shall not be the exclusive remedy but suit for damages or specific performance, or both, may be instituted. The State shall have a first lien upon oil, gas, sulphur and/or other minerals produced upon the leased area, and upon all rigs, tanks, vats, pipe lines, telephone lines, and machinery and appliances used in the production and handling of oil and/or gas and/or sulphur and/or other minerals produced thereon, to secure any amount due from the owner of the said lease.

Sec. 13. All surveys, files, records, copies of sale and lease contracts and all other records pertaining to the sales and leases hereby authorized shall be filed in the General Land Office and constitute archives thereof. Payment hereunder shall be made to the Commissioner of the General Land Office at Austin, Texas, who shall transmit to the State Treasurer all royalties, lease fees, rentals for delay in drilling or mining or mining and all other pay-

ments, including all filing assignments and relinquishment fees hereunder, to be deposited in the special fund in the State Treasury to the credit of the Agricultural and Mechanical College of Texas as above provided.

Sec. 14. The Board shall adopt proper forms and regulations, rules and contracts as will in its best judgment protect the income from lands leased hereunder. A majority of the Board shall have power to act in all cases, except where otherwise herein provided. The Board may reject any and all bids and shall have the further right to withdraw any lands advertised for lease.

Sec. 15. The expenses of executing the provisions of this Act shall be paid by warrants drawn by the Comptroller of the State on the State Treasurer, and for that purpose the sum of Two Thousand Dollars (\$2000) or so much thereof as may be necessary is hereby appropriated out of any moneys in the State Treasury not otherwise appropriated until September 1, 1937, after which time expenses of executing the provisions of this Act shall be paid by warrants drawn by the Comptroller of the State on the State Treasurer against the income from the special fund accumulated from leases, rentals, royalties, and other payments.

Sec. 16. If any section, subsection, paragraph, clause or sentence in this Act is declared to be unconstitutional, the same shall not affect the remaining portions of this Act.

Sec. 17. The fact that there is no law authorizing the sale of oil and/or gas and/or sulphur and/or other mineral leases on lands belonging to and held by the Agricultural and Mechanical College of Texas and its divisions acquired for special purposes, other than the University lands, and the further fact that some of these lands have valuable mineral rights which, if properly conserved, would be of great financial benefit in furthering the purposes for which the land was acquired, or may be acquired, creates an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each House be suspended, and the same is hereby suspended, and this Act shall take effect and be in force from

and after its passage and it is so enacted.

Senator Shivers moved that the report be adopted.

The motion prevailed by the following vote:

Yeas—27.

Aikin.	Oneal.
Burns.	Pace.
Collie.	Rawlings.
Cotten.	Redditt.
Davis.	Roberts.
Head.	Shivers.
Hill.	Small.
Holbrook.	Stone.
Isbell.	Sulak.
Lemens.	Van Zandt.
Moore.	Weinert.
Neal.	Westerfeld.
Nelson.	Woodruff.
Newton.	

Absent—Excused.

Beck.	Spears.
Brownlee.	Winfield.

Message From the House.

A Clerk from the House was recognized to present the following message:

Hall of the House of Representatives,
Austin, Texas, April 9, 1937.
Hon. Walter F. Woodul, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has granted the request of the Senate for the appointment of a Conference Committee to consider the differences between the two Houses on S. B. No. 337. The following are conferees on the part of the House:

Messrs. Thornton, Davison of Fisher, Leonard, London and Alsup.

The House has granted the request of the Senate for the appointment of a Conference Committee on S. B. No. 80.

The following are conferees on the part of the House:

Messrs. Prescott, Pope, Vale, McFarland and Celaya.

The House refused to concur in Senate amendments to H. B. No. 130, and has requested the appointment of a Conference Committee to consider the differences between the two Houses.

The following conferees are appointed on the part of the House:

Messrs. James, Cagle, Derden, Howard and Thornberry.

The House has passed the following bills and resolution:

S. C. R. No. 54, Relating to inscriptions on memorials erected by the State, and directing such State agencies to refrain from placing the names of those living persons upon such buildings.

(With amendments.)

S. B. No. 41, A bill to be entitled "An Act making certain emergency appropriations out of the General Fund of the State of Texas for the Board of Water Engineers' Department for the balance of the fiscal year ending August 31, 1937, and declaring an emergency."

(With amendments.)

S. B. No. 343, A bill to be entitled "An Act to amend Section 14 of Chapter 282, S. B. No. 82, Acts of the Regular Session, Forty-first Legislature; to amend Sections 4, 5, 7, 8 and 18, Chapter 282, S. B. No. 82, Acts of the Regular Session, Forty-first Legislature as amended by Chapter 174, S. B. No. 279, Acts of the Regular Session of the Forty-second Legislature; to repeal Section 6 of Chapter 282, S. B. No. 82, Acts of the Regular Session, Forty-first Legislature, as amended by Chapter 174, S. B. No. 279, Acts of the Regular Session of the Forty-second Legislature; providing for the public sale of oil and gas in and on University lands by the board for lease of University lands and providing for the expense of said sales; validating lease extension contracts heretofore made; and declaring an emergency."

(With amendments.)

The House has passed the following bill:

S. B. No. 365, A bill to be entitled "An Act appropriating the sum of \$150,000.00 to the Texas State Employment Service for the purpose of maintaining public employment offices provided for under Acts 1935, Forty-fourth Legislature, Regular Session, Chapter 236, page 552, and as amended by Acts Third Called Session Forty-fourth Legislature, Chapter 482, Section 12, for the bal-

ance of the fiscal year ending August 31, 1937; and declaring an emergency."

(With amendments.)

The House has adopted the Conference Committee report on H. B. No. 150 by a vote of 123 yeas, 0 nays.

Respectfully submitted,

LOUISE SNOW PHINNEY,
Chief Clerk, House of Representatives.

Senate Bill No. 465 on First Reading.

The following (local) bill was introduced, read first time, and referred to the Committee on Judicial Districts:

By Senator Burns:

S. B. No. 465, A bill to be entitled "An Act amending subdivision 3 of Article 199, Title 8, Revised Civil Statutes of Texas of 1925, as amended, Acts 1929, Forty-first Legislature, First Called Session, and providing for changing and prescribing term and times of holding the Courts in the Third Judicial District of Texas; validating and continuing all processes and writs, bonds and recognizances, and making them returnable to the terms of Court in the several counties in said district as herein fixed; to validate the summoning of grand and petit jurors under the present law so as to render them available under the present Act; to repeal all laws and parts of laws in conflict herewith; providing for and declaring an emergency, and providing time for this Act to take effect.

House Bill No. 158 on Passage to Third Reading.

The President laid before the Senate, as unfinished business, on its passage to third reading (the bill having been read second time on Wednesday, April 7, 1937):

H. B. No. 158, A bill to be entitled "An Act granting and donating to each respective county of this State for a period of five years beginning with the taxable year 1937, all the State ad valorem taxes, not heretofore donated or appropriated to any county, district, city or other political subdivision, collected for general revenue purposes upon the property and from persons in each respective

county, including ad valorem taxes on rolling stock belonging to railroad companies, for the use of each respective county for the purposes of constructing improvements to prevent soil erosion, flood control, irrigation and drainage projects, reforestation and road building and further providing that said taxes shall be levied, assessed and collected in the manner now provided by law and that the assessor and collector in each county shall forward his report to the Comptroller covering said collections and shall pay over to the county treasurer of each respective county all moneys collected by him at the end of each month, except such amounts as may be allowed by the law for collecting and assessing said taxes; requiring said assessor and collector to forward a duplicate copy of the receipt given him by county treasurer for said moneys to the State Comptroller and defining the purposes and intention of this Act, and declaring an emergency."

With amendment by Senator Aikin and motion by Senator Collie to table the pending amendment and the bill subject to call, pending.

Question first recurring on the motion to table subject to call, yeas and nays were demanded.

The motion was lost by the following vote:

Yeas—10.

Aikin.	Nelson.
Head.	Oneal.
Hill.	Redditt.
Isbell.	Roberts.
Lemens.	Van Zandt.

Nays—13.

Burns.	Rawlings.
Davis.	Small.
Holbrook.	Stone.
Moore.	Sulak.
Neal.	Weinert.
Newton.	Woodruff.
Pace.	

Absent.

Collie.	Shivers.
Cotten.	Westerfeld.

Absent—Excused.

Beck.	Spears.
Brownlee.	Winfield.

Question then recurring on the amendment of Senator Aikin, it was adopted.

Senator Moore offered the following amendment to the bill:

Amend H. B. No. 158 by adding a new Section to be known as 1a and reading as follows:

"If any county, city or political subdivision is now receiving or shall receive a donation or grant of a portion of the State ad valorem taxes from the State through an Act of the Forty-fifth Legislature other than this Act, such other Act shall be effective as to the taxes donated or granted therein, and this Act shall be effective to grant and donate to such county, city or political subdivision, all ad valorem taxes not now or in such other Act or Acts granted or donated to such county, city or political subdivision; and this Section shall control anything in this Act to the contrary notwithstanding."

Signed: Moore, Redditt, Burns, Spears and Shivers.

The amendment was adopted.

Senator Redditt offered the following amendment to the bill:

Amend H. B. No. 158 by adding a new Section to be inserted in the proper place, and to read as follows:

"This Act shall not become effective until and conditioned only that the Legislature of this State will provide sufficient revenue to reimburse the General Fund of the State of Texas for the loss sustained by this Act in the sum of not less than Ten Million (\$10,000,000.00) Dollars annually."

Senator Weinert moved to table the amendment.

(Senator Collie in the Chair.)

Yeas and nays were demanded, and the motion to table was lost by the following vote:

Yeas—11.

Aikin.	Rawlings.
Burns.	Small.
Holbrook.	Sulak.
Lemens.	Weinert.
Moore.	Westerfeld.
Newton.	

Nays—12.

Collie.	Pace.
Cotten.	Redditt.
Head.	Roberts.
Hill.	Stone.
Isbell.	Van Zandt.
Oneal.	Woodruff.

Absent.

Davis.	Nelson.
Neal.	Shivers.

Absent—Excused.

Beck.	Spears.
Brownlee.	Winfield.

Question then recurring on the amendment, yeas and nays were demanded.

The amendment was adopted by the following vote:

Yeas—15.

Cotten.	Redditt.
Head.	Roberts.
Hill.	Shivers.
Isbell.	Stone.
Moore.	Van Zandt.
Neal.	Westerfeld.
Oneal.	Woodruff.
Pace.	

Nays—10.

Aikin.	Newton.
Burns.	Rawlings.
Collie.	Small.
Holbrook.	Sulak.
Lemens.	Weinert.

Absent.

Davis.	Nelson.
--------	---------

Absent—Excused.

Beck.	Spears.
Brownlee.	Winfield.

Senator Moore moved to reconsider the vote by which the amendment was adopted.

(President in the Chair.)

On motion of Senator Small, the motion to reconsider was laid on the table subject to call.

Senator Small offered the following amendment to the bill:

Amend pending amendment by adding a new Section to read as follows:

"Sec. ____ This Act shall become effective if and when the Constitutional amendment proposed by S. J. R. No. 5, Acts of the Forty-fifth Legislature, is adopted by vote of the people of the State of Texas, and unless said Constitutional amendment is duly and legally adopted, this Act shall be null, void and of no force or effect."

Question—Shall the amendment be adopted?

Message From the House.

A Clerk from the House was recognized to present the following message:

Hall of the House of Representatives,
Austin, Texas, April 9, 1937.
Hon. Walter F. Woodul, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolution:

H. C. R. No. 93, Authorizing the Enrolling Clerk of the House to make certain corrections in H. B. No. 605.

The House has adopted the Conference Committee report on S. B. No. 301 by a vote of 125 yeas, 1 nay.

Respectfully submitted,

LOUISE SNOW PHINNEY,
Chief Clerk, House of Representatives.

House Concurrent Resolution No. 93.

The President laid before the Senate the following resolution, received from the House today:

H. C. R. No. 93, Authorizing correction and change in enrolled copy of H. B. No. 605.

The resolution was read, and by unanimous consent of the Senate, was adopted at this time.

Senate Bill No. 365 With House Amendments.

Senator Redditt called up S. B. No. 365 from the President's table, for consideration of the House amendments to the bill.

The President laid the bill before the Senate, and the House amendments were read.

Senator Redditt moved that the Senate concur in the House amendments.

The motion prevailed by the following vote:

Yeas—27.

Aikin.	Oneal.
Burns.	Pace.
Collie.	Rawlings.
Cotten.	Redditt.
Davis.	Roberts.
Head.	Shivers.
Hill.	Small.
Holbrook.	Stone.
Isbell.	Sulak.
Lemens.	Van Zandt.
Moore.	Weinert.
Neal.	Westerfeld.
Nelson.	Woodruff.
Newton.	

Absent—Excused.

Beck.	Spears.
Brownlee.	Winfield.

Resolution Signed.

The President signed in the presence of the Senate, after giving due notice thereof, the following resolution:

S. C. R. No. 54, Relating to inscriptions on memorials erected by the State.

Senate Bill No. 41 With House Amendments.

Senator Lemens called up S. B. No. 41 from the President's table, for consideration of the House amendments to the bill.

The President laid the bill before the Senate and the House amendments were read.

Senator Lemens moved that the Senate concur in the House amendments.

The motion prevailed by the following vote:

Yeas—21.

Aikin.	Newton.
Burns.	Pace.
Collie.	Rawlings.
Cotten.	Redditt.
Davis.	Shivers.
Head.	Small.
Holbrook.	Stone.
Isbell.	Sulak.
Lemens.	Van Zandt.
Neal.	Woodruff.
Nelson.	

Nays—5.

Hill.	Weinert.
Moore.	Westerfeld.
Roberts.	

Present—Not Voting.

Oneal.

Absent—Excused.

Beck. Spears.
Brownlee. Winfield.

Recess.

Senator Shivers moved that the Senate adjourn until 10:00 o'clock a. m. next Monday.

Senator Hill moved that the Senate recess to 2:30 o'clock p. m. today.

Question first recurring on the motion to adjourn yeas and nays were demanded.

The motion was lost by the following vote:

Yeas—12.

Holbrook. Redditt.
Moore. Shivers.
Neal. Small.
Newton. Stone.
Pace. Van Zandt.
Rawlings. Weinert.

Nays—13.

Aikin. Nelson.
Burns. Oneal.
Collie. Roberts.
Cotten. Sulak.
Head. Westerfeld.
Hill. Woodruff.
Lemens.

Absent.

Davis. Isbell.

Absent—Excused.

Beck. Spears.
Brownlee. Winfield.

The motion to recess prevailed, and the Senate, accordingly, at 12:30 o'clock p. m., took recess to 2:30 o'clock p. m. today.

Afternoon Session.

The Senate met at 2:30 o'clock p. m., and was called or order by the President.

House Bill No. 158 on Passage to Third Reading.

The Senate resumed consideration of pending business, same being H.

B. No. 158, providing for remission of ad valorem taxes to counties, on its passage to third reading; with amendment by Senator Small pending.

Senator Oneal moved that pending amendment and the bill be tabled subject to call.

Question—Shall the motion to table subject to call prevail?

Adjournment.

Senator Weinert moved that the Senate adjourn until 10 o'clock a. m. next Monday.

Yeas and nays were demanded, and the motion prevailed by the following vote:

Yeas—13.

Holbrook. Roberts.
Isbell. Shivers.
Lemens. Small.
Moore. Stone.
Pace. Van Zandt.
Rawlings. Weinert.
Redditt.

Nays—9.

Aikin. Newton.
Burns. Oneal.
Collie. Sulak.
Hill. Woodruff.
Nelson.

Absent.

Cotten. Spears.
Davis. Westerfeld.
Head. Winfield.
Neal.

Absent—Excused.

Beck. Brownlee.

The Senate, accordingly, at 2:40 o'clock p. m., adjourned until 10:00 o'clock a. m. next Monday, April 12, 1937.

APPENDIX.

Reports of Standing Committees.

Committee Room,
Austin, Texas, April 8, 1937.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was referred S. B. No. 461, A bill to be entitled

"An Act amending Article 463, of the Code of Criminal Procedure, 1925, as amended in Section 4, Chapter 143, Acts of Forty-second Legislature, in 1931, relating to the issuance of subpoenas in felony cases pending in District or Criminal District Courts of this State; etc., and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

SMALL, Chairman.

Committee Room,
Austin, Texas, April 8, 1937.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was referred H. B. No. 770, A bill to be entitled "An Act to prevent the cancellation of a contract for the retail sale of automobiles entered into after the passage of this Act, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass.

SMALL, Chairman.

Committee Room,
Austin, Texas, April 8, 1937.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was referred S. B. No. 73, A bill to be entitled "An Act creating a lien upon the recovery to guarantee to an attorney at law the payment of his fees in cases where the attorney is employed upon other than a cash basis; etc., and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass as amended and be printed.

SMALL, Chairman.

Committee Room,
Austin, Texas, April 8, 1937.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was referred S. B. No. 31, A bill to be entitled "An Act creating a lien upon the

recovery to guarantee to an attorney-at-law, the payment of his fees in cases where the attorney is employed other than on a cash basis; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the committee substitute for same do pass in lieu thereof and be printed.

SMALL, Chairman.

Committee Room,
Austin, Texas, April 8, 1937.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was referred H. B. No. 666, A bill to be entitled "An Act amending Article 3410 of the Revised Civil Statutes of the State of Texas of 1925, providing in addition to the requirements of Article 3410, for the filing by the administrator or executor of an estate a list of claims owing by the estate, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

SMALL, Chairman.

Committee Room,
Austin, Texas, April 8, 1937.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was referred H. B. No. 625, A bill to be entitled "An Act amending Article 5449, 1925 Civil Statutes of Texas, as amended by Chapter 291, of the General Laws of the Regular Session of the Forty-fourth Legislature, so as to provide that when any abstract of judgment has been recorded it shall, from the date of such record and index, operate as a lien upon all of the real estate of the defendant situated in the county where such record and index are made, etc., and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

SMALL, Chairman.

Committee Room,

Austin, Texas, April 9, 1937.

Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Judicial Districts, to whom was referred

H. B. No. 449, A bill to be entitled "An Act to amend Subsection 62, Article 199, Title 8, of the Revised Civil Statutes of Texas, 1925 revision; and to rearrange, and recreate the 62nd Judicial District of Texas, to rearrange, change and prescribe the terms of holding District Court in the 62nd Judicial District, etc."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

NELSON, Chairman.

Committee Room,

Austin, Texas, April 7, 1937.

Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Banking, to whom was referred

H. B. No. 216, A bill to be entitled "An Act to amend Articles 2503, 2504, and 2507, Title 46, Revised Civil Statutes of Texas, 1925, having relation to the capital structure and interest charges of mutual loan corporations; providing the Act shall be applicable to all existing corporations as well as any hereafter organized under said statutes, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

ISEBELL, Chairman.

Committee Room,

Austin, Texas, April 9, 1937.

Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have had S. C. R. No. 54 carefully examined and compared and find same correctly enrolled.

WESTERFELD, Chairman.

FIFTY-SIXTH DAY.

(Monday, April 12, 1937)

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by President Woodul.

The roll was called and the following Senators were present:

Aikin.	Newton.
Beck.	Oneal.
Brownlee.	Pace.
Burns.	Rawlings.
Collie.	Redditt.
Cotten.	Roberts.
Davis.	Shivers.
Head.	Small.
Hill.	Spears.
Holbrook.	Stone.
Isbell.	Sulak.
Lemens.	Van Zandt.
Moore.	Westerfeld.
Neal.	Winfield.
Nelson.	Woodruff.

The following Senator was absent and excused:

Weinert.

A quorum was announced present.

The invocation was offered by the Chaplain.

Reading of the Journal of the proceedings of Friday, April 9, 1937, was dispensed with, on motion of Senator Roberts.

Leave of Absence Granted.

Senator Weinert. was granted leave of absence for today, on account of illness, on motion of Senator Small.

Reports of Standing Committees.

Reports on Senate Bills Nos. 361, 310, 138 and 140, on House Bills Nos. 1029, 876, 91 and 1004; and on S. J. R. No. 16 were submitted by the chairmen of the several committees to which they were referred. (See appendix for reports in full.)

House Bill No. 158 on Passage to Third Reading.

The President laid before the Senate, as the unfinished special order, on its passage to third reading:

H. B. No. 158, A bill to be entitled "An Act granting and donating to